

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 1461
OFFERED BY MR. BACHUS OF ALABAMA**

Page 61, after line 6, insert the following new section:

1 SEC. 115. GUARANTEE FEE STUDY.

2 (a) IN GENERAL.—The Comptroller General of the
3 United States, in consultation with the heads of the fed-
4 eral banking agencies and the Director of the Office of
5 Federal Housing Enterprise Oversight of the Department
6 of Housing and Urban Development, shall, not later than
7 one year after the date of the enactment of this Act, sub-
8 mit to Congress a study concerning the pricing, trans-
9 parency and reporting of the Federal National Mortgage
10 Association, the Federal Home Loan Mortgage Corpora-
11 tion, and the Federal home loan banks with regard to
12 guarantee fees and concerning analogous practices, trans-
13 parency and reporting requirements (including advances
14 pricing practices by the Federal Home Loan Banks) of
15 other participants in the business of mortgage purchases
16 and securitization.

17 (b) FACTORS.—The study required by this section
18 shall examine various factors such as credit risk,



1 counterparty risk considerations, economic value consider-
2 ations, and volume considerations used by the regulated
3 entities (as such term is defined in section 1303 of the
4 Housing and Community Development Act of 1992) in-
5 cluded in the study in setting the amount of fees they
6 charge.

7 (c) CONTENTS OF REPORT.—The report required
8 under subsection (a) shall identify and analyze—

9 (1) the factors used by each enterprise (as such
10 term is defined in section 1303 of the Housing and
11 Community Development Act of 1992) in deter-
12 mining the amount of the guarantee fees it charges;

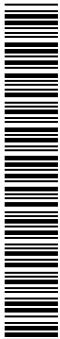
13 (2) the total revenue the enterprises earn from
14 guarantee fees;

15 (3) the total costs incurred by the enterprises
16 for providing guarantees;

17 (4) the average guarantee fee charged by the
18 enterprises;

19 (5) an analysis of how and why the guarantee
20 fees charged differ from such fees charged during
21 the previous year;

22 (6) a breakdown of the revenue and costs asso-
23 ciated with providing guarantees, based on product
24 type and risk classifications; and



1 (7) other relevant information on guarantee
2 fees with other participants in the mortgage and
3 securitization business.

4 (d) PROTECTION OF INFORMATION.—Nothing in this
5 section may be construed to require or authorize the Gov-
6 ernment Accounting Office, in connection with the study
7 mandated by this section, to disclose information of the
8 enterprises or other organization that is confidential or
9 proprietary.

